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The Northeast Utilities System



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TESTIMONY OF RICHARD A. SODERMAN  
THE CONNECTICUT LIGHT AND POWER COMPANY  
and YANKEE GAS SERVICES COMPANY

Energy and Technology Committee  
March 1, 2011

***Re: H.B. No. 6459 (RAISED) AN ACT CONCERNING RENEWABLE RESOURCE  
GENERATION.***

This proposed bill would allow electric distribution companies to construct, purchase, own or operate renewable energy generation facilities.

We support the responsible encouragement of renewable technology that is economic and consistent with a comprehensive policy to implement clean energy solutions for Connecticut. As we have seen to date, the development of renewable generation on its own merits by the competitive market has been less than successful in Connecticut, even as supported by long term contracts (e.g. Project 150). As indicated in our integrated resource planning submittals, regulated, utility owned generation may have some advantages as to financing, overall cost and in-state oversight that may be an appropriate component of a renewable development plan.

Clearly, electric distribution companies have access to capital that other developers apparently cannot obtain (that is why they seek long term contracts secured by customer obligations through their local distribution companies). In addition, utility returns on investment are regulated. Further, when utility assets reach the end of their depreciated lives, customers pay for ongoing output at cost, not at a return to market based rates as would be the case for independent development (the buying vs. leasing the house analogy).

Our experience in CL&P's sister company, Western Massachusetts Electric Company, is illustrative of how this approach can result in a partnership between utilities and the local infrastructure community. WMECo developed a 1.8 mw solar installation in Pittsfield, Massachusetts in 2010 pursuant to Massachusetts law. WMECO served as the project



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developer, supplying the project coordination and financing, but independent contractors were selected through competitive RFPs for equipment, installation and other services, using prevailing wages, to successfully complete one of the largest installations in the northeast at a relatively attractive cost for solar technology. Further, in January 2011, WMECo announced plans to develop its second large-scale solar energy facility at a site on Cottage Street in Springfield that will accommodate some 17,000 solar panels, producing up to 4.2 megawatts (MW) of solar energy using the same development partnership model.

The concept of utility owned and operated renewable generation should be included as one of the options that the state considers as it develops a comprehensive renewable strategy in the future.

Thank you for the opportunity to provide testimony on this proposal.